

(i) of this section may be grounds for termination of the contract, and for debarment as provided in 29 CFR 5.6.

[40 FR 42736, Sept. 16, 1975. Redesignated at 44 FR 56173, Sept. 28, 1979]

§308.5 Examination of payrolls.

(a) In cases where the contract involves construction work in excess of \$2,000, a certified copy of all payrolls and statements required to be submitted under the contract provisions prescribed in §308.4, shall be checked by the State (or political subdivision, as applicable) against the applicable wage determination decision of the Secretary of Labor to verify labor standards compliance and to ascertain the following:

(1) That the rates paid to various classifications of employees are in conformity with the applicable wage determination decision.

(2) That each classification shown in the payrolls is a classification for which a rate was predetermined in the applicable wage determination decision.

(3) That there are included in the payrolls those classifications of workers who would logically perform the work performed during the weeks in question.

(4) That there is no disproportionate employment of laborers, helpers, apprentices or trainees.

(b) Unless transferred to the Federal Emergency Management Agency, the payrolls and statements shall be preserved by the State (or political subdivision, as applicable) for a period of three years from the date of completion of the contract and shall be produced at the request of the Secretary of Labor at any time during the three-year period.

[40 FR 42738, Sept. 16, 1975. Redesignated at 44 FR 56173, Sept. 28, 1979]

§308.6 Compliance.

In cases where the contract involves construction work in excess of \$2,000:

(a) The State shall make (or cause the political subdivision to make) an "on the site" labor standards check, at least once during the project and at least every six months on projects of

long duration, including without limitation the following:

(1) Interviewing of a representative number of employees including but not necessarily limited to one employee in each classification or craft to ascertain what work the employee is doing and his regular rate of pay. This information shall be checked against the payrolls and the applicable wage determination decision to verify compliance or noncompliance.

(2) Examining evidence of registration and certification with respect to apprenticeship and training plans to determine the correctness of classifications and any disproportionate employment of laborers, helpers, apprentices or trainees.

(b) In conducting investigations, including those of complaints of alleged violations (which shall be given priority) all statements, written or oral, made by an employee are to be treated as confidential and shall not be disclosed to his employer without the consent of the employee. All indications, including but not limited to all complaints, of alleged violations of labor standards brought to its attention shall be investigated by the State (or political subdivision at the State's direction) and the State shall require that all such indications brought to the attention of a political subdivision shall be forthwith brought to the attention of the State.

(c) If there is evidence of labor standards noncompliance, restitution shall be required of the contractor or subcontractor and the State (or political subdivision, as applicable) shall, after written notice to the contractor, withhold from the contractor such advances, guarantees and accrued payments as are administratively determined necessary to cover any liquidated damages and the restitution due laborers and mechanics employed by the contractor or subcontractor. The State (or political subdivision, as applicable) also has the option of terminating the contract in accordance with its provisions. If there is evidence that these violations were aggravated, willful, or resulted in underpayments of \$500 or more, a detailed report, including information as to restitution